

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)	
)	Order No.: NE-11-09
)	
COMMUNITY FEDERAL SAVINGS BANK)	Effective Date: February 17, 2011
)	
Woodhaven, New York)	
OTS Docket No. 17528)	
)	

ORDER TO CEASE AND DESIST

WHEREAS, Community Federal Savings Bank, Woodhaven, New York, OTS Docket No. 17528 (Association), by and through its Board of Directors (Board), has executed a Stipulation and Consent to the Issuance of an Order to Cease and Desist (Stipulation); and

WHEREAS, the Association, by executing the Stipulation, has consented and agreed to the issuance of this Order to Cease and Desist (Order) by the Office of Thrift Supervision (OTS) pursuant to 12 U.S.C. § 1818(b); and

WHEREAS, pursuant to delegated authority, the OTS Regional Director for the Northeast Region (Regional Director) is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order.

NOW, THEREFORE, IT IS ORDERED that:

Cease and Desist.

1. The Association, its institution-affiliated parties,¹ and its successors and assigns, shall cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or the aiding and abetting the unsafe or unsound banking practices that resulted in:

- (a) operating the Association with an inadequate level of capital protection for the volume, type and quality of assets held by the Association;
- (b) operating the Association with inadequate earnings to fund growth and augment capital; and
- (c) operating the Association with an excessive level of adversely classified loans and non-performing assets.

2. The Association, its institution-affiliated parties, and its successors and assigns, shall also cease and desist from any action (alone or with others) for or toward causing, bringing about, participating in, counseling, or the aiding and abetting violations of the following regulations:

- (a) 12 C.F.R. § 563.180(d) and 31 C.F.R. § 103.18 (regarding suspicious activity reports); and
- (b) 12 C.F.R. § 571.90(c) (regarding the completion of a risk assessment of the Association's covered accounts).

Business Plan.

3. Within sixty (60) days, the Association shall submit an updated comprehensive business plan for the time period of January 1, 2011 to December 31, 2013 (Business Plan) that is acceptable to the Regional Director and addresses all corrective actions in the August 23, 2010

¹ The term "institution-affiliated party" is defined at 12 U.S.C. § 1813(u).

Report of Examination (2010 ROE) relating to the Association's Business Plan. At a minimum, the Business Plan shall conform to applicable laws, regulations and regulatory guidance and include:

- (a) plans to improve the Association's core earnings, reduce expenses, maintain appropriate levels of liquidity, and achieve profitability on a consistent basis;
 - (b) strategies for ensuring that the Association has the financial and personnel resources necessary to implement and adhere to the Business Plan, adequately support the Association's risk profile, maintain compliance with applicable regulatory capital requirements, and comply with this Order;
 - (c) quarterly pro forma financial projections (balance sheet, regulatory capital ratios, and income statement) for each quarter covered by the Business Plan that are presented in a format consistent with the Thrift Financial Report (TFR); and
 - (d) identification of all relevant assumptions made in formulating the Business Plan and a requirement that documentation supporting such assumptions be retained by the Association.
4. Upon receipt of written notification from the Regional Director that the Business Plan is acceptable, the Association shall implement and adhere to the Business Plan. A copy of the Business Plan and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.

5. Any material modifications² to the Business Plan must receive the prior written non-objection of the Regional Director. The Association shall submit proposed material modifications to the Regional Director at least forty-five (45) days prior to implementation.

6. Within forty-five (45) days after the end of each quarter, after implementation of the Business Plan, the Board shall review quarterly variance reports on the Association's compliance with the Business Plan (Business Plan Variance Reports). The Business Plan Variance Reports shall:

- (a) identify variances in the Association's actual performance during the preceding quarter as compared to the projections set forth in the Business Plan;
- (b) contain an analysis and explanation of identified variances; and
- (c) discuss the specific measures taken or to be taken to address identified variances.

7. A copy of the Business Plan Variance Reports and Board meeting minutes shall be provided to the Regional Director within ten (10) days after the Board meeting.

Restrictions on Higher Risk Lending.

8. Effective immediately, except with receipt of the prior written non-objection of the Regional Director, the Association shall not originate any new Higher Risk Loans.³ Any such request for non-objection shall: (a) be submitted to the Regional Director at least twenty (20) days prior to the date of the proposed action; and (b) include a certification by the Board that the loan: (i) fully comports with the Association's underwriting standards; and (ii) was considered

² A modification shall be considered material under this Section of the Order if the Association plans to: (a) engage in any activity that is inconsistent with the Business Plan; or (b) exceed the level of any activity contemplated in the Business Plan or fail to meet target amounts established in the Business Plan by more than ten percent (10%), unless the activity involves assets risk-weighted fifty percent (50%) or less, in which case a variance of more than twenty-five percent (25%) shall be deemed to be a material modification.

³ For purposes of this Paragraph, "Higher Risk Loans" means: (a) construction loans; (b) non-residential property loans (excluding land); (c) land loans; and (d) commercial loans.

and approved by the Board, subject to receipt of non-objection by OTS.

9. Notwithstanding the restrictions set forth in Paragraph 8 above, the Association may make advances necessary to honor legally binding commitments to fund loans (Commitments) or loans-in-process (LIP) in existence as of the Effective Date of this Order, provided that the Association: (a) prior to making any disbursement under any Commitment or LIP, affirmatively determines that all conditions precedent to such disbursement have been satisfied; and (b) with respect to LIP, confirms, through inspection independent of the borrower(s), that required work or stages of the project have been completed satisfactorily in accordance with the Commitment or LIP and Association policy.

Problem Assets.

10. Within sixty (60) days, the Association shall submit and implement a detailed, written plan with specific strategies, targets and timeframes to reduce⁴ the Association's level of criticized assets⁵ and nonperforming loans⁶ (Problem Asset Plan). At a minimum, the Problem Asset Plan shall include individual written specific workout plans for each criticized asset and/or non-performing loan or group of loans to any one borrower or loan relationship of two hundred fifty thousand dollars (\$250,000) or greater (Asset Workout Plans).

11. Within thirty (30) days after the end of each quarter, beginning with the quarter ending March 31, 2011, the Association shall submit a quarterly written asset status report (Quarterly Asset Report) to the Board. The Quarterly Asset Report shall include, at a minimum:

- (a) the current status of all Asset Workout Plans;

⁴ For purposes of this Paragraph, "reduce" means to collect, sell, charge off, or improve the quality of an asset sufficient to warrant its removal from adverse criticism or classification.

⁵ The term "criticized assets" shall include all classified assets and assets designated special mention.

⁶ The term "non-performing loan" shall include all loans ninety (90) days or more past due, on nonaccrual, or in real estate owned (REO).

- (b) a comparison of classified assets and non-performing loans to Tier 1 (Core) capital plus Allowance for Loan and Lease Losses (ALLL) and total Risk-Based capital;
- (c) a comparison of classified assets and non-performing loans at the current quarter end with the preceding quarter;
- (d) a breakdown of classified assets and non-performing loans by type (for example, residential, acquisition and development, construction, land loans, etc.) and risk factor (for example, sub-standard, doubtful, etc.);
- (e) an assessment of the Association's compliance with the Problem Asset Plan; and
- (f) a discussion of the actions taken during the preceding quarter to reduce the Association's level of criticized assets and non-performing loans.

Capital.

12. Effective immediately, the Association shall have and maintain a Tier 1 (Core) Capital Ratio equal to or greater than eight percent (8%) and a total Risk-Based Capital Ratio equal to or greater than fourteen percent (14%) after the funding of an adequate ALLL.

13. Within thirty (30) days, the Association shall submit a written plan for the time period of February 1, 2011 to December 31, 2013 to maintain the Association's capital at the levels prescribed in Paragraph 12 (Capital Plan) that is acceptable to the Regional Director. At a minimum, the Capital Plan shall:

- (a) address all corrective actions set forth in the 2010 ROE relating to capital; and
- (b) address the Association's level of classified assets, ALLL, earnings, asset concentrations, liquidity needs, and trends in the foregoing areas.

14. Upon receipt of written notification from the Regional Director that the Capital Plan is acceptable, the Association shall implement and adhere to the Capital Plan. A copy of the

Capital Plan and the Board meeting minutes reflecting the Board's adoption thereof shall be provided to the Regional Director within ten (10) days after the Board meeting.

15. Within fifteen (15) days after: (a) the Association fails to meet the capital requirements prescribed in Paragraph 12; (b) the Association fails to comply with the Capital Plan prescribed in Paragraph 13; or (c) any written request from the Regional Director, the Association shall submit a written Contingency Plan that is acceptable to the Regional Director.

16. The Contingency Plan shall detail the actions to be taken, with specific timeframes, to achieve one of the following results by the later of the date of receipt of all required regulatory approvals or sixty (60) days after the implementation of the Contingency Plan: (a) merger with, or acquisition by, another federally insured depository institution or holding company thereof; or (b) voluntary dissolution by filing an appropriate application with the OTS in conformity with applicable laws, regulations and regulatory guidance.

17. Upon receipt of written notification from the Regional Director, the Association shall implement and adhere to the Contingency Plan immediately. The Association shall provide the Regional Director with written status reports detailing the Association's progress in implementing the Contingency Plan by no later than the first (1st) and fifteenth (15th) of each month following implementation of the Contingency Plan.

Allowance for Loan and Lease Losses.

18. Within sixty (60) days, the Association shall revise its policies, procedures, and methodology relating to the timely establishment and maintenance of an adequate ALLL policy (ALLL Policy) to address all corrective actions set forth in the 2010 ROE relating to ALLL. The ALLL Policy shall comply with applicable laws, regulations, and regulatory guidance and shall:

- (a) incorporate the results of all internal loan reviews and classifications;

- (b) address the historical loan loss rates of the Association in compliance with regulatory guidance;
- (c) require an expanded segmentation of the Association's loan portfolio for internal loan review analysis;
- (d) address the level and impact of the Association's current concentrations of credit, including geographic concentrations; and
- (e) take into consideration current and prospective market and economic conditions.

Loan Modifications.

19. Within sixty (60) days, the Association shall revise its loan modification policy (Loan Modification Policy) to address all corrective actions set forth in the 2010 ROE concerning loan modifications. The Loan Modification Policy shall conform to all applicable laws, regulations and regulatory guidance and shall:

- (a) establish eligibility criteria that loans must meet to qualify for a modification;
- (b) identify acceptable modifications, including guidelines and restrictions on such modifications;
- (c) identify the appropriate job positions or committee authorized to approve loan modifications and the procedures for monitoring all approved modified loans;
- (d) require the reporting of all modified loans in accordance with generally accepted accounting principles (GAAP), applicable laws, regulations and regulatory guidance, and TFR instructions;
- (e) require that modified loans be accurately and timely classified in accordance with the Association's asset classification policies; and
- (f) require that a monthly report be submitted to the Board, beginning with the month

ending January 31, 2011, detailing the total number and dollar amount of loan modifications, the number and dollar amount of loans modified since the preceding monthly report, and the types of modifications made.

Liquidity Management.

20. Within sixty (60) days, the Association shall revise and implement a liquidity and funds management policy (Liquidity Management Policy) that addresses the corrective actions set forth in the 2010 ROE relating to liquidity and funds management. The Liquidity Management Policy shall comply with all applicable laws, regulations and regulatory guidance.
21. The Liquidity Management Policy shall include a Contingency Funding Plan, which shall, at a minimum, include:
- (a) alternative funding sources for meeting extraordinary demands or to provide liquidity in the event the sources identified are insufficient. Such alternative funding sources must consider, at a minimum, the selling of assets, obtaining secured lines of credit, recovering charged-off assets, injecting additional equity capital, and the priority of their implementation;
 - (b) appropriate lines of credit at correspondent banks, including the Federal Reserve Bank, that would allow the Association to borrow funds to meet depositor demands if the Association's other provisions for liquidity prove to be inadequate; and
 - (c) a requirement that borrowing availability is reported to the Board in writing on a monthly basis.
22. The Board's review of the Liquidity Management Policy shall be documented in the Board meeting minutes. A copy of the Liquidity Management Policy shall be provided to the Regional Director within ten (10) days of adoption by the Board.

Loans-to-One-Borrower.

23. Within sixty (60) days, the Association shall revise its policies and procedures related to tracking loans-to-one-borrower (LTOB Policy) to address all corrective actions set forth in the 2010 ROE concerning loans-to-one-borrower. The LTOB Policy shall conform to all applicable laws, regulations and regulatory guidance and shall:

(a) require the Association to establish and maintain a list of all loans-to-one-borrower relationships of two hundred fifty thousand dollars (\$250,000) or greater (LTOB Report); and

(b) require an updated monthly LTOB Report to be submitted to the Board detailing all loans-to-one-borrower relationships.

24. The Board's review of the monthly LTOB Report shall be documented in the Board meeting minutes.

Suspicious Activity Reporting.

25. Within sixty (60) days, the Association shall revise its policies and procedures related to the reporting of suspicious transactions and activity (SAR Policy) to correct deficiencies set forth in the 2010 ROE concerning its failure to properly report suspicious transactions and activity as required by 12 C.F.R. § 563.180(d) and 31 C.F.R. §103.18. At a minimum, the revised SAR Policy shall require the Association to monitor, assess, and review the effectiveness of its investigative procedures related to suspicious transactions and activity and its rationale to file, or not file, a Suspicious Activity Report (SAR) and to maintain documentation for all filed SARs and decisions made to not file a SAR.

Office of Foreign Assets Control (OFAC).

26. Within sixty (60) days, the Association shall develop and implement policies, procedures, processes and a system of internal controls to ensure compliance with the Office of Foreign Asset Control Regulations set forth at 31 C.F.R. Part 500(OFAC Procedures) and to monitor all transactions for full compliance with all applicable laws, regulations, and regulatory guidance. At a minimum, the OFAC Procedures shall address the corrective actions set forth in the 2010 ROE requiring that an OFAC check be completed for any noncustomer sending or receiving funds through a wire transfer.

Identity Theft Prevention Program.

27. Within thirty (30) days, the Association shall revise and implement policies and procedures related to its Identity Theft Prevention Program to ensure compliance with 12 C.F.R. § 571.90(c) and to address the corrective actions set forth in the 2010 ROE concerning a risk assessment of the Association's covered accounts under its Identity Theft Prevention Program.

Growth.

28. Effective immediately, the Association shall not increase its total assets during any quarter in excess of an amount equal to net interest credited on deposit liabilities during the prior quarter without the prior written notice of non-objection of the Regional Director.

Employment Contracts and Compensation Arrangements.

29. Effective immediately, the Association shall not enter into, renew, extend or revise any contractual arrangement relating to compensation or benefits for any Senior Executive Officer⁷ or director of the Association, unless it first provides the Regional Director with not less than thirty (30) days prior written notice of the proposed transaction. The notice to the Regional

⁷ The term "Senior Executive Officer" is defined at 12 C.F.R. § 563.555.

Director shall include a copy of the proposed employment contract or compensation arrangement or a detailed, written description of the compensation arrangement to be offered to such officer or director, including all benefits and perquisites. The Board shall ensure that any contract, agreement or arrangement submitted to the Regional Director fully complies with the requirements of 12 C.F.R. Part 359, 12 C.F.R. §§ 563.39 and 563.161(b), and 12 C.F.R. Part 570 – Appendix A.

Directorate and Management Changes.

30. Effective immediately, the Association shall comply with the prior notification requirements for changes in directors and Senior Executive Officers set forth in 12 C.F.R. Part 563, Subpart H.

Golden Parachute and Indemnification Payments.

31. Effective immediately, the Association shall not make any golden parachute payment⁸ or prohibited indemnification payment⁹ unless, with respect to each such payment, the Association has complied with the requirements of 12 C.F.R. Part 359 and, as to indemnification payments, 12 C.F.R. § 545.121.

Dividends and Other Capital Distributions.

32. Effective immediately, the Association shall not declare or pay dividends or make any other capital distributions, as that term is defined in 12 C.F.R. § 563.141, without receiving the prior written approval of the Regional Director in accordance with applicable regulations and regulatory guidance. The Association's written request for approval shall be submitted to the

⁸ The term "golden parachute payment" is defined at 12 C.F.R. § 359.1(f).

⁹ The term "prohibited indemnification payment" is defined at 12 C.F.R. § 359.1(l).

Regional Director at least thirty (30) days prior to the anticipated date of the proposed declaration, dividend payment or distribution of capital.

Brokered Deposits.

33. Effective immediately, the Association shall comply with the requirements of 12 C.F.R. § 337.6(b). The Association shall provide to the Regional Director a copy of any waiver request submitted to the Federal Deposit Insurance Corporation (FDIC).

Transactions with Affiliates.

34. Effective immediately, the Association shall not engage in any transaction with an affiliate unless, with respect to each such transaction, the Association has complied with the notice requirements set forth in 12 C.F.R. § 563.41(c)(4), which shall include the information set forth in 12 C.F.R. § 563.41(c)(3). The Board shall ensure that any transaction with an affiliate for which notice is submitted pursuant to this Paragraph, complies with the requirements of 12 C.F.R. § 563.41 and Regulation W, 12 C.F.R. Part 223.

Third Party Contracts.

35. Effective immediately, the Association shall not enter into any arrangement or contract with a third party service provider that is significant to the overall operation or financial condition of the Association¹⁰ or outside the Association's normal course of business unless, with respect to each such contract, the Association has: (a) provided the Regional Director with a minimum of thirty (30) days prior written notice of such arrangement or contract and a written determination that the arrangement or contract complies with the standards and guidelines set

¹⁰ A contract will be considered significant to the overall operation or financial condition of the Association where the annual contract amount equals or exceeds two percent (2%) of the Association's total capital, where there is a foreign service provider, or where it involves information technology that is critical to the Association's daily operations without regard to the contract amount.

forth in Thrift Bulletin 82a (TB 82a); and (b) received written notice of non-objection from the Regional Director.

Board Oversight of Compliance with Order.

36. Effective immediately, the Board shall monitor and coordinate the Association's compliance with the provisions of this Order and the completion of all corrective actions required in the 2010 ROE. The Board shall review and adopt all plans, policies and procedures required by this Order prior to submission to the OTS.

37. Within thirty (30) days after the end of each quarter, beginning with the quarter ending March 31, 2011, the Association shall prepare a written compliance progress report for the Board (Compliance Tracking Report). The Compliance Tracking Report shall, at a minimum:

- (a) separately list each corrective action required by this Order and the 2010 ROE;
- (b) identify the required or anticipated completion date for each corrective action; and
- (c) discuss the current status of each corrective action, including the action(s) taken or to be taken to comply with each corrective action.

38. Within sixty (60) days after the end of each quarter, beginning with the quarter ending March 31, 2011, the Board shall review the Compliance Tracking Report and all reports required to be prepared by this Order. Following its review, the Board shall adopt a resolution: (a) certifying that each director has reviewed the Compliance Tracking Report and all required reports; and (b) documenting any corrective actions adopted by the Board. A copy of the Compliance Tracking Report and the Board resolution shall be provided to the Regional Director within five (5) days after the Board meeting.

39. Nothing contained herein shall diminish the responsibility of the entire Board to ensure the Association's compliance with the provisions of this Order.

Effective Date, Incorporation of Stipulation.

40. This Order is effective on the Effective Date as shown on the first page. The Stipulation is made a part hereof and is incorporated herein by this reference.

Duration.

41. This Order shall remain in effect until terminated, modified, or suspended by written notice of such action by the OTS, acting by and through its authorized representatives.

Time Calculations.

42. Calculation of time limitations for compliance with the terms of this Order run from the Effective Date and shall be based on calendar days, unless otherwise noted.

43. The Regional Director, or an OTS authorized representative, may extend any of the deadlines set forth in the provisions of this Order upon written request by the Association that includes reasons in support for any such extension. Any OTS extension shall be made in writing.

Submissions and Notices.

44. All submissions, including any reports, to the OTS that are required by or contemplated by this Order shall be submitted within the specified timeframes.

45. Except as otherwise provided herein, all submissions, requests, communications, consents or other documents relating to this Order shall be in writing and sent by first class U.S. mail (or by reputable overnight carrier, electronic facsimile transmission or hand delivery by messenger) addressed as follows:

- (a) To the OTS:
Michael E. Finn, Regional Director
Attn: Thomas S. Angstadt, Assistant Director
Office of Thrift Supervision
Harborside Financial Center Plaza Five
Suite 1600
Jersey City, New Jersey 07311

- (b) To the Association:
Stuart G. Hoffer
President and COO
Community Federal Savings Bank
89-07 Jamaica Avenue
Woodhaven, NY 11421

No Violations Authorized.

46. Nothing in this Order or the Stipulation shall be construed as allowing the Association, its Board, officers, or employees to violate any law, rule, or regulation.

IT IS SO ORDERED.

OFFICE OF THRIFT SUPERVISION

By: _____/s/_____
Michael E. Finn
Regional Director, Northeast Region

Date: See Effective Date on page 1

UNITED STATES OF AMERICA
Before the
OFFICE OF THRIFT SUPERVISION

In the Matter of)

Order No.: NE-11-09

COMMUNITY FEDERAL SAVINGS BANK)

Effective Date: February 17, 2011

Woodhaven, New York)

OTS Docket No. 17528)

STIPULATION AND CONSENT TO ISSUANCE OF ORDER TO CEASE AND DESIST

WHEREAS, the Office of Thrift Supervision (OTS), acting by and through its Regional Director for the Northeast Region (Regional Director), and based upon information derived from the exercise of its regulatory and supervisory responsibilities, has informed Community Federal Savings Bank, Woodhaven, New York, OTS Docket No. 17528 (Association), that the OTS is of the opinion that grounds exist to initiate an administrative proceeding against the Association pursuant to 12 U.S.C. § 1818(b);

WHEREAS, the Regional Director, pursuant to delegated authority, is authorized to issue Orders to Cease and Desist where a savings association has consented to the issuance of an order; and

WHEREAS, the Association desires to cooperate with the OTS to avoid the time and expense of such administrative cease and desist proceedings by entering into this Stipulation and Consent to the Issuance of Order to Cease and Desist (Stipulation) and, without admitting or

denying that such grounds exist, but only admitting the statements and conclusions in Paragraphs 1 and 2 below concerning Jurisdiction, hereby stipulates and agrees to the following terms:

Jurisdiction.

1. The Association is a “savings association” within the meaning of 12 U.S.C. § 1813(b) and 12 U.S.C. § 1462(4). Accordingly, the Association is “an insured depository institution” as that term is defined in 12 U.S.C. § 1813(c).
2. Pursuant to 12 U.S.C. § 1813(q), the Director of the OTS is the “appropriate Federal banking agency” with jurisdiction to maintain an administrative enforcement proceeding against a savings association. Therefore, the Association is subject to the authority of the OTS to initiate and maintain an administrative cease and desist proceeding against it pursuant to 12 U.S.C. § 1818(b).

OTS Findings of Fact.

3. Based on its August 23, 2010 Report of Examination of the Association (2010 ROE), the OTS finds that the Association has engaged in unsafe or unsound banking practices, including:
 - (a) operating the Association with an inadequate level of capital protection for the volume, type and quality of assets held by the Association;
 - (b) operating the Association with inadequate earnings to fund growth and augment capital; and
 - (c) operating the Association with an excessive level of adversely classified loans and non-performing assets.
4. Based on its 2010 ROE of the Association, the OTS finds that the Association has engaged in violations of regulation, including:

(a) 12 C.F.R. § 563.180(d) and 31 C.F.R. § 103.18 (regarding suspicious activity reports); and

(b) 12 C.F.R. § 571.90(c) (regarding the completion of a risk assessment of the institution's covered accounts).

Consent.

5. The Association consents to the issuance by the OTS of the accompanying Order to Cease and Desist (Order). The Association further agrees to comply with the terms of the Order upon the Effective Date of the Order and stipulates that the Order complies with all requirements of law.

Finality.

6. The Order is issued by the OTS under 12 U.S.C. § 1818(b). Upon the Effective Date, the Order shall be a final order, effective, and fully enforceable by the OTS under the provisions of 12 U.S.C. § 1818(i).

Waivers.

7. The Association waives the following:

(a) the right to be served with a written notice of the OTS's charges against it as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(b) the right to an administrative hearing of the OTS's charges as provided by 12 U.S.C. § 1818(b) and 12 C.F.R. Part 509;

(c) the right to seek judicial review of the Order, including, without limitation, any such right provided by 12 U.S.C. § 1818(h), or otherwise to challenge the validity of the Order; and

(d) any and all claims against the OTS, including its employees and agents, and any other governmental entity for the award of fees, costs, or expenses related to this OTS enforcement matter and/or the Order, whether arising under common law, federal statutes, or otherwise.

OTS Authority Not Affected.

8. Nothing in this Stipulation or accompanying Order shall inhibit, estop, bar, or otherwise prevent the OTS from taking any other action affecting the Association if at any time the OTS deems it appropriate to do so to fulfill the responsibilities placed upon the OTS by law.

Other Governmental Actions Not Affected.

9. The Association acknowledges and agrees that its consent to the issuance of the Order is solely for the purpose of resolving the matters addressed herein, consistent with Paragraph 8 above, and does not otherwise release, discharge, compromise, settle, dismiss, resolve, or in any way affect any actions, charges against, or liability of the Association that arise pursuant to this action or otherwise, and that may be or have been brought by any governmental entity other than the OTS.

Miscellaneous.

10. The laws of the United States of America shall govern the construction and validity of this Stipulation and of the Order.

11. If any provision of this Stipulation and/or the Order is ruled to be invalid, illegal, or unenforceable by the decision of any Court of competent jurisdiction, the validity, legality, and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, unless the Regional Director in his or her sole discretion determines otherwise.

12. All references to the OTS in this Stipulation and the Order shall also mean any of the OTS's predecessors, successors, and assigns.

13. The section and paragraph headings in this Stipulation and the Order are for convenience only and shall not affect the interpretation of this Stipulation or the Order.

14. The terms of this Stipulation and of the Order represent the final agreement of the parties with respect to the subject matters thereof, and constitute the sole agreement of the parties with respect to such subject matters.

15. The Stipulation and Order shall remain in effect until terminated, modified, or suspended in writing by the OTS, acting through its Regional Director or other authorized representative.

Signature of Directors/Board Resolution.

16. Each Director signing this Stipulation attests that he or she voted in favor of a Board Resolution authorizing the consent of the Association to the issuance of the Order and the execution of the Stipulation.

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WHEREFORE, the Association, by its directors, executes this Stipulation.

Accepted by:

COMMUNITY FEDERAL SAVINGS BANK
Woodhaven, New York

OFFICE OF THRIFT SUPERVISION

By: _____/s/_____
Joseph A. Ruggiere
Chairman

By: _____/s/_____
Michael E. Finn
Regional Director, Northeast Region

Date: See Effective Date on page 1

_____/s/_____
Stuart G. Hoffer, Director

_____/s/_____
Franklin T. Gourdet, Director

_____/s/_____
Richard A. Lashley, Director

_____/s/_____
Wayne A. Ruggiere, Director